

**Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES**

Date: January 4, 2011: **Time:** 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Terry Benelli
Jared Langkilde
Jim LeCheminant
Jeff Pitcher
Steve Wood

EX-OFFICIO

Mayor Scott Smith (excused)
Chris Brady (excused)
Brian Campbell
Jeff Crockett
Steve Shope
Peter Sterling

STAFF PRESENT

Betsy Adams
William Jabjiniak
Patrick Murphy

MEMBERS ABSENT

Steve Parker (excused)
Jo Wilson (excused)

GUESTS

None

1. Chair's Call To Order

Chair Jeff Crockett called the January 4, 2011 meeting of the Economic Development Advisory Board to order at 7:33 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None

3. Approval of Minutes from December 7, 2010 board meeting.

Chair Crockett called for a motion to approve the minutes from the meeting held on December 7, 2010.

MOTION: Jim LeCheminant moved that the minutes from December 7, 2010 be approved as written.

SECOND: Steve Wood

DECISION: Passed unanimously with Rich Adams abstaining.

4. Introduction of the new Mesa Chamber of Commerce President

Chair Crockett introduced and welcomed the new Mesa Chamber of Commerce President, Mr. Peter Sterling.

Mr. Peter Sterling discussed his prior work experience. Mr. Sterling stated that he moved to the East Valley approximately two (2) years ago from Southern California. Mr.

Sterling stated he has numerous ideas and hard work ahead to accomplish his visions and goals.

Mr. Sterling reaffirmed the Chambers continued commitment to support the EDAB and the City of Mesa. He thanked EDAB for the opportunity to serve on the Board and to serve Mesa.

Mr. William Jabjiniak welcomed Mr. Sterling to the EDAB and expressed Mayor Smith's continued commitment to supporting the Chamber of Commerce and to hold quarterly meetings with the Chamber President for continuous dialogue.

5. Acceptance of Resignation from EDAB Board Member

Chair Crockett acknowledged receipt and acceptance of a letter of resignation from EDAB member Mr. Christian Alder. Mr. Alder has accepted a new position with Hewlett Packard in the Bay Area of Northern California.

6. Report on Fiesta District

Mr. Patrick Murphy reviewed the process undertaken for the Fiesta District Handbook that was adopted by the City Council on January 26, 2009. On February 25, 2010 the City Council gave authorization to proceed with Street Signage modifications and set aside a \$10 million Street Bond savings for the Streetscaping phase.

A Traffic Study is underway to determine the impact each identified streetscape alternative may present to the Fiesta District area.

Currently the City is working with Mesa Community College (MCC) and Mesa Public Schools on a Feasibility Study for a Mixed-Use Complex. The Feasibility Study will analyze the proposed uses in this complex and the financial feasibility of the project. Several suggested uses of this multi-use complex are a new football stadium, an arena for hockey, and/or basketball along with locker room facilities, and a potential aquatics facility. The study also will provide funding alternatives for the Mixed-Use Complex.

Mr. Murphy addressed the Fiesta Village (Northwest corner of Southern and Alma School) code violations and issues. He stated that the owners have been meeting with city staff and have agreed to start maintaining their property (i.e. repairing buildings, graffiti, weeds, broken windows, and signs). The freestanding signs are to be discussed in a civil hearing on January 5, 2011. The owners have agreed to begin marketing the site.

Funding was approved for a site acquisition, design and construction in the 2008 Public Safety Bond Program for the replacement of the Dobson Police Substation. The existing station is located at 2505 South Dobson. The reuse of the existing building will be determined at a later date.

Mr. Rich Adams confirmed that the selected site was formerly the site chosen for the Aqua Terra Project. He asked if the site complies with the General Plan for a Police Station in that area.

Mr. Murphy stated that the proposed substation complies with the General Plan.

Mrs. Terry Benelli inquired of the proposed Transportation grant to link a circulator from the Light Rail Sycamore Station to the Fiesta District.

Mr. Murphy responded that there was a potential grant to help fund half the costs of operating a circulator, with a fourth of the funds coming from the City, and a fourth of the remaining funds coming from the stakeholders. Although interest for the circulator is there, the financial funding commitment is not. Therefore, the circulator has been put on hold until such time as funding becomes available.

Chair Crockett inquired as to what help the EDAB could provide.

Mr. Murphy responded that when the streetscape concepts were ready for review EDAB could provide opinions, comments and recommendations on the concepts.

Mr. Jabjiniak asked Mr. Steve Wood, as a representative of Westcor, what EDAB and the City could do to help the Fiesta Mall area.

Mr. Wood commented that he thought the city was headed in the right direction and suggested continued communication. Traffic flow, safety and everything else that is being addressed for the Fiesta district are right on target. The contact with the Fiesta Village owners and their improvements to the corner property are heading in the right direction. However, he stated that the plans for redevelopment of the Fiesta Village property are questionable at this time. He also stated that this year's Holiday sales were better than the previous year.

Mr. Murphy also shared that a Wastewater Project was in progress on Southern Avenue from Horne to the Tempe Canal.

7. Report on Local Redevelopment Agency (LRA)

Mr. Patrick Murphy explained the purpose of this report is to present the draft Redevelopment Plan and Homeless Submission Report that is required as part of the Base Relocation and Closure (BRAC) process.

Mr. Murphy outlined the Base Closure Process as follows:

- Base Closure Announced
- LRA formed
- LRA Advertises Property – Conducts Outreach
- LRA Evaluates NOI's
- Develops Reuse Plan
- Public Review and Comment Period
- LRA submits reuse Plan to HUD and the Air Force
- HUD and the Air Force Evaluate/Approve
- Redevelopment Plan
- The Air Force has one (1) year to prepare an Environmental Impact Analysis

A Public Meeting was held on December 16, 2010 to present the draft Redevelopment Plan and Homeless Submission Report. The purpose of this Public Meeting was to give

the public an opportunity to review and provide comments. Comments from the public are due by noon on January 13, 2011.

The Homeless Submission Report and Redevelopment Plan were scheduled to be taken to the City Council by the end of January, but it has been pushed back several weeks to ensure all comments are addressed and/or incorporated in the reports and plan. The project has moved very rapidly due to the cooperation of the Air Force and the City of Mesa.

The Homeless Submission Report has been completed and there were no Notice of Interest (NOI's) received from any Homeless Providers. A letter of interest was submitted but was later withdrawn. The Homeless Submission Report discusses priorities, and programs for the Homeless that are outlined in the City of Mesa's approved 5-Year Consolidated Plan. The Homeless Submission Report delineates Council priorities for emergency shelter facilities, and transitional shelter facilities. The Homeless Submission Report also discusses the recommendations of the Redevelopment Plan.

The analysis noted in the Plan indicates the Air Force Research Lab (AFRL) is not ideally located, the buildings are old or outdated, and were built for a specific use. However the Plan also points out the critical component of the AFRL, which is the ability to do specialized research and the construction (i.e. copper roofs, etc.) of the existing buildings. The ability to conduct this type of specialized research is desired by various defense contractors.

The Plan discusses reuse alternatives including pros and cons of each, culminating in the discussion for the preferred alternative. The preferred alternative is to obtain an Economic Development Conveyance (EDC) and market the property to those companies such as Aerospace Defense Contractors, etc. that require specialized research capabilities.

The preferred alternative would implement the vision/goals of the LRA while maximizing reuse of the facility by capitalizing on specialized research capabilities.

The second (2) alternative is the ASU NOI Submittal requesting a Public Benefit Conveyance (PBC) for educational purposes. This alternative is not recommended as it does not capitalize upon the reuse of the AFRL's unique structures or ability to conduct specialized research. This alternative does not address job creation and long-term economic growth. However, ASU and similar institutions can be a valuable partner with the reuse of the AFRL.

The third (3) alternative would be to market the property for typical office and industrial users. This alternative is not recommended because the recruitment of typical office and industrial users in all likelihood would not be successful because the AFRL buildings will not compete with the existing abundant supply of office and industrial space that are newer and are near superior freeway locations.

The LRA and City Council will be asked to make a recommendation on the Redevelopment Plan and Homeless Submission Report in February 10, 2011. The EDAB LRA Subcommittee will be meeting January 4, 2011 to provide guidance and comments regarding the Redevelopment Plan and Homeless Submission Report. Upon approval from the LRA and City Council of the reports they will then be forwarded to the

Department of Defense (DoD), Office of Economic Adjustment (OEA) and Housing and Urban Development (HUD).

An Interim Lease option is being discussed to ensure that the security clearance is maintained for the site. Our goal is to complete negotiations for the Interim Lease by the end of February. Maintaining the security clearance is crucial to the future reuse of the site. The Air Force has to vacate the site by September 2011, but all reports indicate the move to Wright-Patterson Air Force Base, Ohio will take place by July 2011.

Mr. Jabjiniak commented that a meeting was held several weeks ago with the City of Mesa, higher state and federal government officials and Retired Air Force Generals to help keep the process moving along. It is vital to maintain the security clearance before the AFRL is vacated. The Science Foundation, ASU, Alion have been involved in helping to shepherd the process along.

Mr. Murphy commented that the employees of the AFRL will be briefed on January 11, 2011 as to the status of our efforts.

Mr. Brian Campbell commended Mr. Patrick Murphy for the outstanding leadership in keeping the whole process on track. He also believes the meetings held in Washington, D.C. in April 2010 with the Pentagon were a huge success and gathered the extraordinary support needed from the higher officials and military leaders for a difficult BRAC turn-over.

Chair Crockett commended Mr. Murphy for all his hard and excellent work. He also stated that the city was keenly aware of the AFRL employees' positions and situations. The employees have been briefed every other month and kept in the loop. The EDAB is committed and supportive of all his efforts and how important it is to retain those jobs in Mesa.

Mr. Murphy thanked the staff and EDAB for their support and help during this endeavor. He stated that there are still unknowns but they were working as quickly and effectively as possible to save and add jobs to the site.

8. Director Report

Mr. Jabjiniak provided an update regarding the Cubs Project: A Request for Qualifications (RFQ) for a Design professional has gone out for Design-Team candidates with a closing the end of January. A Design-Team should be chosen by April 2011. A RFP will also be issued for a general contractor (GC) with a goal to select a GC by the end of April. The Cubs facility is still in the preliminary stages, and a Development Agreement is under negotiations. The proposed site is still controlled by Waveyard. Waveyard has until July 2011 to decide their role in the project. The process has been slowed down for more thought to be given to all aspects of the project.

Mr. Jabjiniak encouraged the Board members to advise him of their interest in serving on two (2) newly formed Subcommittees for the Healthcare Study and Higher Education Study.

Board members indicated serving on either Subcommittee where ever they are needed.

Mr. Jabjiniak responded that he would discuss the assignments with Chair Crockett and then inform them of their assigned Subcommittee. He thanked them for their interest and volunteering to serve.

Other reminders included:

- East Valley Partnership Governor's Breakfast, January 13, at 7:30-9:00 a.m., to be held at MCC, 1844 W. Southern Ave., Mesa.
- Red Mountain LINK Route to Gateway starting January 24
- Rapid Transit route from Country Club/Arizona Avenue starting January 24
- Mesa Chamber of Commerce sponsoring Mesa's Mayor Breakfast, January 27 at 7:30 a.m. to be held at Hilton Phoenix East-Mesa, 1011 W. Holmes, Mesa.

Mr. Steve Shope inquired if there have been numerous inquiries for marijuana clinics and how the City of Mesa is going to handle it.

Mr. Jabjiniak responded that on-going discussions with the Mayor, City Council and the Legal Office were taking place and no decisions have been finalized.

9. GPEC Update

Mr. Brian Campbell commented that GPEC is very supportive of the LRA endeavors and the preferred alternative and have submitted a letter to that effect. GPEC is also going to market this unique asset as part of a GPEC trip in April 2011 that will be taken to the Washington, D.C. area. Meetings with top military leaders will be held to help smooth the way to meet the deadlines involved. The April 2010 trip to the D.C. area and meeting with the top military leaders was very productive. Specifically they have helped smooth the way for meeting deadlines in light of the importance of maintaining the Security Clearance.

He commented that GPEC continues to push for the legislation to add more tools for the State to have in its effort to attract new businesses to Arizona. That is being done by specific legislation and a marketing campaign that talks about a Jobs Program and its importance.

GPEC is working with the Arizona Commerce Authority regarding transferring some of these legislative and state wide initiatives to them so that GPEC can get back to its core mission, which is attracting jobs and business relocation to the region.

Mr. Jabjiniak commented that there was discussion regarding an extension of the Military Reuse Zone. The Military Reuse Zone in Mesa was discussed to be expanded to include the area around Falcon Field and Boeing facility. He inquired if that was still under GPEC's consideration.

Mr. Campbell responded that it had been put on GPEC's back burner, but they would certainly elevate it.

Mr. Jabjiniak inquired of the timing for any kind of a Jobs Bill activity for this Legislation session.

Mr. Campbell responded the budget is the primary concern; however there is speculation that a Special Session will be held regarding the Jobs Bill. He has not been advised as to whether that will actually happen or not. It is a high priority. Both the Governor and Speaker Adams have signed off on the Program; however there is still some crafting/tweaking of the current Jobs Bill. The challenge will be the Senate and working it through.

10. Other Business

Mrs. Benelli and Mr. Jabjiniak congratulated Mrs. Jo Wilson for being elected Women of the Year 2010 and Mr. Dave Weir for being elected Man of the Year 2010.

Mr. Steve Wood proudly introduced his daughter Courtney Wood as his guest today. Chair Crockett welcomed her to the Board meeting and hoped she would return again.

Mr. Jabjiniak encouraged Mr. Murphy to share with the Board details pertaining to Crescent Crown's proposed relocation to Mesa.

Mr. Murphy shared that details were finalized with Crescent Crown Distributing to construct and utilize approximately 20 acres of what was farm land at 1640 W. Broadway Road. A new office headquarters and distributing facility are planned bringing 450 jobs with an average salary of \$45,000 and \$20 million in capital improvements. A Government Property Lease Excise Tax (GPLET) is going to be used. It will be a beautiful facility and a tremendous asset to Mesa. It is in the Enterprise Zone and will be designated as a Redevelopment Area. In addition Maricopa County Workforce has agreed to work with Crescent Crown with a Training Grant for up to \$100,000 available to help with the workforce training if needed.

Chair Crockett was curious as to what led them to select Mesa.

Mr. Murphy responded that Crescent Crown had other locations under consideration. The top two (2) sites were in Tempe and Mesa. There are several reasons they chose Mesa. The location and access to the freeways was a key decision factor. We also offered the use of the GPLET. Relationships with staff, the Mayor, Councilmember Kavanaugh were also helpful with the decision making process.

Mr. Jabjiniak reiterated the location is a key factor, using GPLET as an available tool, but the most important reason being the relationship that was established early on. Crescent Crown was comfortable with all the staff, but especially comfortable with the Planning and Zoning staff. The comfort with the ability to custom streamline the process and customize the schedule was important.

Chair Crockett reminded the EDAB members of the next scheduled meeting on February 1, 2011 to be held at the City of Mesa Council Chambers, Lower level, 57 E. 1st Street, Mesa, AZ 85201.

11. Adjournment

Chair Crockett adjourned the meeting at 8:50 a.m.

Submitted By:

William J. Jabjiniak
Economic Development Department Director
(Prepared by Betsy Adams)